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Date: 1/4/2005 8:21:04 AM

Subject: Mine Plan Determination - Soldier Canyon

Attached is OSM's final decision regarding the need for a Mining Plan Modification for the above subject. A signed copy will be sent to you in today's mail.

In accordance with the Federal regulations under 30 CFR 740.13(d), other Federal agencies that may have an interest in, or jurisdiction over, the above subject operation have also been notified of OSM's decision electronically.

No responses to this transmittal are necessary.

Carl R. Johnston Natural Resource Specialist OSMRE / WRCC / PSD / NWB P.O. Box 46667 Denver, CO 80201-6667

Courier Delivery to: 1999 Broadway, Suite 3320

303 / 844-1400 - ext. 1500 Fax: 303 / 844-1538

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CC: "Mitchell Rollings" <MROLLING@osmre.gov>, "Ranvir Singh" <RSINGH@osmre.gov>

UT-0023

January 4, 2005

Utah Division of Oil, Gas, & Mining Coal Regulatory Program 1594 West North Temple, Suite 1210 P.O. Box 145801 Salt Lake City, Utah 84114-5801

RE: Canyon Fuel Company, LLC "Soldier Canyon" Mine - Application for a Permit Revision, Bond Revision

Dear Sir or Madam:

This in response to the Utah Division of Oil, Gas, & Mining's (UT-DOGM) December 22, 2004, request for a decision, under 30 CFR 944.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq*. before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Application for a Permit Revision, Bond Revision, has determined that it proposes to update the revise the reclamation bond to reflect the proposed costs in projected 2009 dollars for the Soldier Canyon Mine, Utah State permit C/007/018.

Based on a review of the activities associated with the permit revision, OSM has determined that the proposal does not meet the requirements of 30 CFR 746.18(d). Therefore, the proposed permit revision does not constitute a mining plan action requiring Secretarial approval.

OSM's decision was based solely upon the Federal regulations under 30 CFR PART 746 and not the technical aspects of the revision application itself. Consequently, OSM's decision does not relieve UT-DOGM from coordinating the review and approval of the Application for a Permit Revision, Bond Revision with other Federal agencies for compliance with other Federal regulations.

OSM also electronically transmitted the December 22, 2004 request to the Bureau of Land Management and the U.S. Forest Service for their review and comment.

In an electronic transmittal dated, January 3, 2005, the U.S. Forest service stated it had no comments or concerns regarding the Bond Revision.

In an electronic transmittal dated December 29, 2004 the Bureau of Land Management stated in its opinion the Bond Revision did not constitute a mining plan action requiring Secretarial approval.

Please notify the applicant of our decision on this matter.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 844-1400, extension 1500.

Sincerely,

Ranvir Singh Manager, Northwest Branch

cc: BLM - Utah State Office BLM - Price Field Office USFS - Manti-La Sal NF Denver Field Division